



Spotlight on...

## Group Critical Illness Cover



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EVERYONE BENEFITS

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## Spotlight on Group Critical Illness Cover

**Group Critical Illness cover is an employee benefit available to businesses with 3 or more employees. It pays out a tax-free lump sum to the employee in the event of them being diagnosed with a serious or life-threatening illness. The illnesses covered can vary from provider to provider but typically these include:**

**Alzheimer's disease**  
**Cancer**  
**Coronary artery bypass**  
**Heart attack**  
**Kidney failure**  
**Major organ transplant**

**Motor neurone disease**  
**Multiple sclerosis**  
**Parkinson's disease**  
**Stroke**  
**Permanent and total disability**

### How does it work?

The employer decides on the level of cover they would like to offer. Typically, this will be a multiplier of up to 5 times salary, although it can be a fixed sum (max £500,000) if required. Employers can apply different salary multipliers to different categories of employee if they wish to differentiate based on seniority or length of service and the cover usually runs until State Pension Age. Many providers include options for other family members or children to be included in the cover.

Each scheme is provided with a "free" cover limit under which employees don't need to answer medical underwriting questions. This can be particularly useful as employees with past medical issues can potentially be included.

Once cover is in place, if an employee is diagnosed with a serious or life-threatening illness and needs to claim, their illness is firstly confirmed by the provider as meeting the definitions within the policy. Then typically they need to survive 14 days after diagnosis. The lump sum is then paid to the employee and can be used however they want. For example they could fund private health treatment; make adaptations to their home; pay off debt and cover financial commitments; or just take time off to fully recover. An employee does not actually need to be unable to work to be able to claim as it is the diagnosis that triggers the payment of benefit.

### Why do businesses need Group Critical Illness Cover?

Everyone values good health. Offering Critical Illness cover to the workforce helps an employer show their commitment to looking after the health and wellbeing of their employees. It can also help them successfully recruit and retain employees, most of whom no longer look for salary alone when considering their jobs. Not only does it help to alleviate the stress for the employee that comes with being diagnosed with a serious illness (which can include financial worries), it can improve the chances of an employee returning to work more quickly. This is important as employee absences can have a significantly negative impact on the business and may affect growth plans. Employers who provide meaningful employee benefits will offer wider appeal, as well as displaying a positive company culture.

### Costs

Costs depend on factors such as the age, salary and selected multiplier and can therefore vary. It is therefore better to obtain a detailed quote from us.

\*The premiums paid for Group Critical Illness by the employer are classed as a P11d Benefit in Kind for tax purposes.



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**To request a free Group Critical Illness quote or consultation please contact us:**

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